

# ABVI Goodwill

422 South Clinton Avenue  
Rochester, NY 14620-1198  
Tel: (585) 232-1111  
TTY: (585) 232-1698  
www.abvi-goodwill.org

**James T. Briggs**  
Chair

**Michael J. Dinan**  
Vice Chair

**James P. Prinzi, Ph.D.**  
Vice Chair

**Joseph J. Istvan**  
Secretary

**Antoinette P. McCorvey**  
Treasurer

**Lois Warlick-Jarvie**  
Controller

**Members at Large**  
Edward C. Radin III, Esq.  
Joyce Zimowski

**A. Gidget Hopf, Ed.D.**  
President/CEO

**Directors**  
Richard L. Baum  
Brian C. Eckman, Esq.  
Doug Emblidge  
Steven E. Feldon, MD, MBA  
Julie Gutch  
Cecil B. Lee  
Phyllis J. LeFrois  
Sam Marroquin  
Patricia A. Mummert  
Michelle Paroda  
Marty Quinn  
Kenneth P. Schirmuhly

**Medical Director**  
Gwen K. Sterns, MD

**Low Vision Specialists**  
Paul J. Caito, OD  
Raymond Gottlieb, OD, Ph.D.  
Katherine G. White, OD

An Equal Opportunity Employer

January 30, 2006

Ms. Stephanie Hillmon  
Assistant General Counsel  
Committee for Purchase from People who are  
Blind or Severely Disabled  
1421 Jefferson Davis Highway  
Suite 10800  
Arlington, Virginia 22202-3259

*\*Sent via facsimile: (703) 603-0030*

Dear Ms. Hillmon:

On behalf of the Association for the Blind and Visually Impaired (ABVI)-Goodwill Industries of Greater Rochester, Inc., I am writing to submit the following formal comments to the Committee for Purchase from People who are Blind or Severely Disabled in response to the December 16, 2005 Advanced Notice of Proposed Rulemaking. As a member-agency of the National Association for the Employment of People who are Blind (NAEPB) and the National Industries for the Blind (NIB), we appreciate the opportunity to provide this formal response.

Many non-profit organizations have already undertaken the initiative to set standards for their own agencies to increase accountability and strengthen governance. In its 90+ year history, ABVI-Goodwill has consistently and uniformly applied good governance standards in all its operations. We ensure compliance with these standards through well-developed and regularly reviewed Board governance policies and procedures, including board selection procedures, board rotation, conflict of interest policies, periodic review of by-laws, committee assignments and job descriptions, board development and education, transparency of financial reports, including an audit committee with periodic review of staff travel expenses, and annual review of executive performance evaluation and compensation.

In addition, as an agency fully accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF), our governance standards are regularly reviewed to assure our stakeholders that governance is active and accountable in the organization and policies meet legal requirements. CARF governance policies include: board selection and composition, including criteria for selection to the board, board orientation, education and development, and a



Ms. Stephanie Hillmon  
Committee for Purchase from People who are Blind or Severely Disabled  
January 30, 2006  
Page 2

board member exit process; selection of board and committee chairs; size and composition of the board; duration of membership; use of external advisors; conflict of interest declarations and signed code of ethical conduct declarations; board self assessments; relationship with executive leadership and delegation of authority; access to management and staff; and board processes, including agenda planning, distribution of meeting materials, oversight of committees including financial audit, executive leadership development and performance, executive written evaluations, executive compensation, and succession planning.

As a result of our CARF accreditation, a third party review of our governance standards and practices already exists, and as such, we believe that there would be more meaningful outcomes by the Committee working closely with CARF to further strengthen the already-existing and well-defined governance standards.

We also believe that the standards in which to qualify for the JWOD program are already in place through applicable federal and state laws for non-profits. However, we fully recognize that such designation carries with it certain requirements and expectations for operational ethics and sound business practices and that, while these expectations may vary slightly from community to community or state to state, they do not vary in their essence and apply to all agencies as standards of good governance. We also believe that standards of good governance apply to all aspects of our operations, from fund raising practices to human resources policies to product and service pricing to executive compensation.

In this regard, we fully endorse, and encourage the Committee to consider and support, the four recommendations put forth by the NAEPB:

1. The development of Committee-endorsed standards of governance for NAEPB member agencies through a joint effort of the National Industries for the Blind, the NAEPB and appropriate third-party contractors;
2. The development of specific and rigorous processes and guidelines within these standards of governance for the setting of executive compensation, designed to create a fully rebuttable presumption of reasonableness in each case;
3. Assignment of the responsibility to NIB to monitor and certify compliance by NAEPB agencies with these governance standards as part of its annual compliance review process, and to include such certification as a part of NIB's policy on Good Standing;
4. The Committee's acceptance of NIB certification as proof of compliance with the governance standards.


Ms. Stephanie Hillmon  
Committee for Purchase from People who are Blind or Severely Disabled  
January 30, 2006  
Page 3

Finally, in addition to the four recommendations we endorse with NAEPB, we would also urge the Committee to adopt the recommendations of the Panel on the Nonprofit Sector's final report to Congress, dated June 2005 (a copy of the report's Executive Summary is appended to this letter). The Panel on the Nonprofit Sector was formed at the direction of the Senate Finance Committee and led to an unparalleled collaboration on how to strengthen the nonprofit sector's accountability, transparency and governance to ensure the American public that we are ethical, responsible stewards of their generosity. This was an intensive, thorough and objective analysis, and its results should be carefully considered by the Committee in the context of good governance standards and ethical practices.

In summary, the Committee has a legitimate interest in being assured that standards of good governance are being met by all agencies operating within the JWOD program. In fact, standards for good governance already exist at these agencies and are an integral part of our operation and management. We are confident that, after this review and analysis by the Committee, it will be clearly documented that JWOD-participating agencies already embrace clear standards of good governance and are committed to the operation and maintenance of high quality, efficient, accountable and reputable organizations.

We appreciate the opportunity to provide these comments to the Committee on governance and compensation issues, and we look forward to continuing the dialogue on this very important matter. Thank you.

Sincerely,



A. Gidget Hopf, Ed.D.  
President and Chief Executive Officer

Attachment: Panel on the Nonprofit Sector  
Strengthening Transparency, Governance, Accountability of Charitable Organizations  
A Final Report to Congress and the Nonprofit Sector  
June 2005  
Executive Summary